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CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1941.

No.

EXHIBIT SUPPLY COMPANY,
Petitioner,

vs.

No. 154.

ACE PATENTS CORPORATION,
Respondent.

GENCO, INC.,

Petitioner,

vs.

No. 155.

ACE PATENTS CORPORATION,
Respondent.

CHICAGO COIN MACHINE COMPANY,
Petitioner,

vs.

No. 156.

ACE PATENTS CORPORATION,
Respondent.

MOTION TO DISMISS WRITS OF CERTIORARI WITH SUPPORTING BRIEF.

Re Writs of Certiorari to the United States Circuit Court of Appeals
for the Seventh Circuit, Granted November 10, 1941, Upon Petition
for Rehearing After Having Been Denied October 13, 1941.

CASPER W. OOMS,

Attorney for Respondent.

JOHN A. RUSSELL,
Of Counsel.

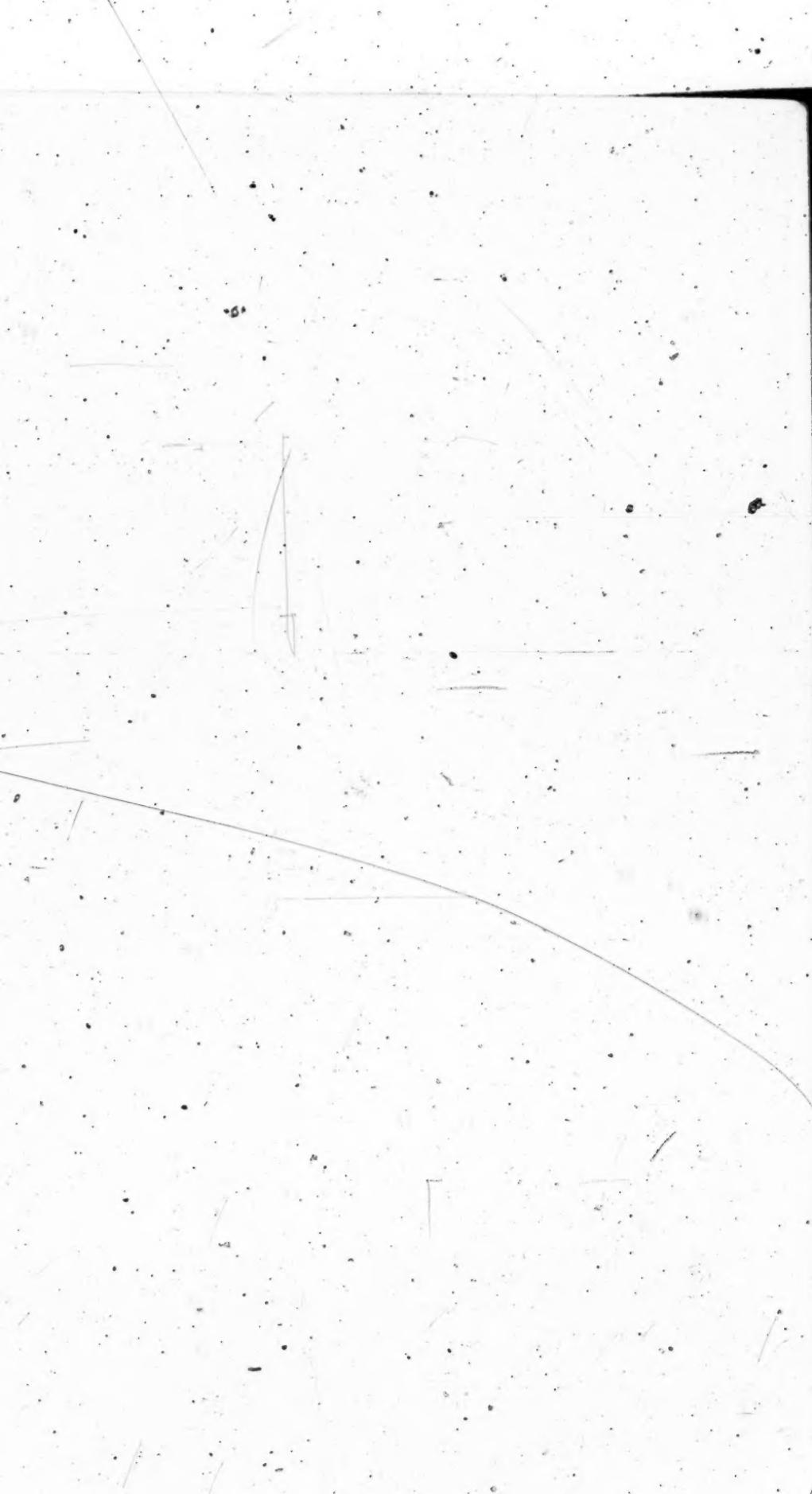


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MOTION TO DISMISS WRITS OF CERTIORARI.

*To the Honorable the Chief Justice of the United States
and the Associate Justices of the Supreme Court of the
United States:*

Wrists of Certiorari herein, denied on October 13, 1941, were granted November 10, 1941 pursuant to petition for rehearing which presented grounds for allowance of the writs not mentioned in the Petition for Wrists of Certiorari. Because no opportunity for reply to the Petition for Rehearing and the newly asserted grounds for granting of the writs was extended Respondent, and to meet the assertions first made in that Petition, this Motion to Dismiss the Wrists of Certiorari is respectfully presented.

The grounds presented in the Petition for Rehearing existed when the Petition for Writ of Certiorari was

presented, but were not there advanced, although counsel for Petitioners, John H. Sutherland, had previously presented the same grounds in earlier litigation in this court.* Had these grounds been advanced in the Petitions for Writs of Certiorari they could have been properly replied to in Respondent's Brief in opposition.

In seeking rehearing, Petitioners asserted that "every reason advanced for the granting of the Writ in No. 323 (*Muncie Gear Works, Inc., et al. v. Outboard, Marine & Mfg. Co., et al.*) also exists in these cases." This representation is not true.

1. There is nothing in common between our cases and those cited by Petitioners except possibly the question of alleged concentration of industry in one circuit, which alone has never been accepted by this Court as a substitute for diversity of decisions. Further, all cases cited by Counsel involved diversity of opinions between the inferior Courts within the Circuit. The granting of writs of certiorari alone on the ground of concentration would set a dangerous precedent requiring this Court not only to become a trier of disputed facts as to the issue of concentration of industry, but would lead gradually, with varying degrees of concentration asserted, to this Court becoming a Court of review for all patent cases, and other cases as well, regardless of complete concurrence in the inferior courts upon the issues involved.

2. In the *Muncie* case the decree of the District Court had invalidated the patent, while the Circuit Court of Appeals sustained its validity, thus bringing the case within that class of cases which this Court has reviewed even in the absence of a conflict between circuits. In the proceedings now before this Court, the District Court and a unanimous Court of Appeals expressly concurred in a judgment of validity and firmly and specifically ruled upon the issues now sought to be reviewed.

* *Schriber-Schroth v. Cleveland Trust Co.*, 305 U. S. 47.

3. The *Muncie* case involved a patent conceded to dominate "the manufacture of large-sized outboard motors", an industry confined to the Seventh Circuit, while our cases involve a patent which does not dominate an industry and which covers a device employed in rebuilding pin tables throughout the United States, and a device in use in every village and city in the country.

4. In the *Muncie* case the four claims involved were inserted into the application years after it was filed; accompanied by an alteration in the specification, and long after the industry had adopted the device covered by the claims, whereas in our cases the single claim, inserted within five months after filing of the application, unaccompanied by any alteration in the specification was narrower than other claims originally filed, was never broadened, and reads directly upon the device shown in the patent drawing and described in the specification as originally filed.

The principles and reasoning under which Petitioners seek to justify issuance of the writs herein have no application to our cases and the writs were improvidently issued and should be dismissed.

WHEREFORE, Respondent respectfully prays that the Writs of Certiorari herein granted be dismissed.

Respectfully submitted;

ACE PATENTS CORPORATION,

By CASPER W. OOMS,

Its Attorney.

JOHN A. RUSSELL,
Of Counsel.

I hereby certify that the foregoing Motion to Dismiss is filed in good faith and not for purposes of delay.

CASPER W. OOMS.

BRIEF IN SUPPORT OF MOTION TO DISMISS WRITS OF CERTIORARI.

I. To Accept Concentration of Industry in One Circuit Alone as Grounds for Issuance of the Writ of Certiorari Would Make of This Court a Trial Tribunal and Open the Door to Practically All Cases.

Should this court assume jurisdiction whenever a concentration of industry is *alleged* to exist, it would be compelled to pass in the first instance upon controverted allegations as to the existence of such alleged concentration. Every case presented to this court would have affidavits and counter affidavits relating to alleged concentration of industry, and every litigant would be entitled to believe that he could open the doors to this court by asserting concentration of industry.

No industry is wholly concentrated within one circuit. Acts of infringement by reconstruction, sale, or use necessarily occur throughout the country. Immediately the question arises as to what degree of concentration is necessary to sustain an allegation of concentration. This alone presents a factual issue which would arise in every case for the first time in this court and present a difficult problem of determination because of the lack of any acceptable standard. The issuance of the writs in our cases would establish a dangerous precedent and leave the requirements of entrance to this court by certiorari in a state of chaos.

II. This Case, Unlike Any Patent Case in Which This Court Has Granted the Writ of Certiorari in the Absence of Diversity of Decision Between the Circuit Courts of Appeals, Is One Wherein the District Court and a Unanimous Circuit Court of Appeals Have Both Sustained the Patent and Expressly Passed Upon the Issues Sought To Be Reviewed Here.

In no reported case has this Court granted the writ of certiorari merely because of the alleged concentration of the industry in one circuit. In each case the "doubtful validity" of the patent, manifested by differences of opinion between the trial and appellate courts, or the lack of concurrence in their respective findings, has been referred to as one controlling fact warranting the issuance of the writ.

In *Schriber-Schroth Co. v. Cleveland Trust Co.*, 305 U. S. 47, after reviewing the conflict of decisions of the District Court and Circuit Court of Appeals, this court said (page 50) :

"We later granted certiorari * * * on a petition for rehearing showing that, notwithstanding the doubtful validity of the patents, litigation elsewhere with a resulting conflict of decision was improbable because of the concentration of the automobile industry in the sixth circuit."

In the first of the cases of this type, *Altoona Publix Theatres, Inc. v. American Tri-Ergon Corp.*, 294 U. S. 477, the patent owners, after denial of the writ of certiorari, filed many suits in one circuit against practically the entire industry in pursuance of a deliberate policy to confine the litigation to that circuit, and although there was no express divergence in the respective conclusions of the District Court and the Circuit Court of Appeals, this Court found a lack of concurrence of the inferior courts and granted the writ of certiorari. In its opinion this Court said (page 480) :

"While both courts below have found invention and

sustained the patent, the Court of Appeals, as will presently appear in more detail, did not pass on the separate claims in issue, but found invention in a combination of elements not embraced in any single claim. In consequence, the case presents no question of concurrent findings by the courts below that the claims in issue severally involve invention.

That case was accompanied by a companion case in which the District Court and Circuit Court of Appeals reached conflicting decisions on the question of validity, certiorari was denied, and thereupon the entire industry was immediately subjected to suit in a single circuit. *Paramount Publix Corp. v. American Tri-Ergon Corp.*, 294 U. S. 464.

In the *Muncie* case the Circuit Court of Appeals directly reversed the District Court. 119 F. (2d) 404, 408.

In the three cases now before the Court the District Court was expressly affirmed on the very issues now sought to be reviewed. 119 F. (2d) 349, 352-354. There is thus, in the three cases in suit, complete concurrence among the administrative determinations of the Patent Office and the subsequent judicial determinations of the Courts.

III. While the Manufacturing Industry in Which the Invention of the Patent in Suit Is Employed Is Largely Located Within the Seventh Circuit, Pin Tables Employing That Invention Are Rebuilt in Several Places in the United States and Are Used in Practically Every City in the United States.

The invention of the patent in suit is an electrical switch used upon the playing surface or playing board of so-called pin tables. Although the large manufacturers of pin tables are all located within the Seventh Circuit, as shown by the accompanying affidavit of George D. Moloney, the business of installing playing boards employing these switches within the cabinets of reconditioned or restyled pin tables

is not confined to the Seventh Circuit, but is represented in the cities of New York, Philadelphia and Seattle, within at least three other circuits. Further, as shown by that affidavit, pin tables employing the invention of the patent in suit are used in practically every city and village in the United States.

Petitioners' characterization of this industry as one "dominated by the patent in suit" is extravagant. At the time of the fixing of bonds in the District Court for the stay of the injunction, each of the three Petitioners filed affidavits that the respective Petitioners were discontinuing the use of bumper switches of the type accused to infringe the patent in suit herein and did not intend to manufacture, use or sell such bumper switches thereafter. (See affidavit of George D. Moloney appended hereto.)

This case is thus readily distinguished from the *Muncie* case, No. 323, in the fact that therein it was conceded by the respondent that the patent in suit dominated that part "of the industry representing the manufacture of large-sized outboard motors", wholly located within one circuit, while here the patented device is sold and used throughout the United States.

IV. This Case Does Not Present Any Question of Law as to the Broadening of a Patent After Filing of the Application.

The Petition for Rehearing recognizes that the *Muncie* case, No. 323, involved a situation like that considered by this court in the *Schriber-Schroth* case, 305 U. S. 47, wherein the patent was amended to claim and dominate a structure not disclosed or claimed when the application for the patent was filed. The Petition for Rehearing says: "Precisely the same situation is involved here." That is not true.

The single claim of the Nelson patent here in suit was never broadened. When filed it was narrower than claims in the application as originally filed. The claim was formally amended and further narrowed as readily appears from this reproduction of the claim from the opinion of the Circuit Court of Appeals with marginal indications of the time of filing and amendment (R. 445-446) :

(4) *7.* In a ball rolling game having a substantially horizontal table over which balls are rollable, the combination with said table of a substantially vertical standard anchored in said table with its lower end carrying on the underside of the table a lead for an electric circuit and its upper end extending a substantial distance above the top surface of the table, a coil spring surrounding the standard, means carrying said spring pendantly from the upper portion of the standard (ABOVE THE TABLE) with the coils of the spring spaced from the standard *and the lower end of the coil spring terminating* *at a distance above the top surface of the table* to enable the spring to be resiliently flexed when bumped by a ball rolling on the table, said spring being in the aforementioned circuit and constituting a conductor, and *other* conductor means (IN SAID CIRCUIT AND EMBEDDED IN) *carried by* the table at a point spaced from the standard and engageable by a portion of the spring when it is flexed to close the aforementioned circuit.

The nature and effect of the amendment of this claim were thoroughly considered by the District Court (R. 198-200; Finding 28, R. 495), and by the Circuit Court of Appeals (R. 675-677) (119 F. (2d) 352-353).

Application
filed Jan 12,
1937.

This Claim
filed June 10,
1937.

Amended
Jan. 19, 1938.

Amended
Jan. 19, 1938.

Amended
Sept. 14, 1937.

The patent application was filed January 12, 1937. The claim in suit was filed upon the first amendment, June 10, 1937, and the subsequent amendments made respectively September 14, 1937 and January 19, 1938. No alteration was made at any time in the specification.

In contra-distinction to this state of facts, in the *Muncie* case, No. 323, the four claims in suit, assertedly defining "a wholly different invention from that claimed by the application as originally filed," were inserted in the application almost three years after the filing of the application, accompanied by alteration in the specification "by the addition of subject matter not theretofore contained" therein and "more than two years after extensive commercial adoption of structures embodying such subject matter." In that case the opinion of the Circuit Court of Appeals (119 F. (2d) 404, 407-408) contains no discussion or consideration of the nature and effect of these alterations of the patent there in suit.

The statement in the petition herein that the decision of the Circuit Court of Appeals for the Seventh Circuit did not treat the question of broadening after intervening rights had arisen is an astute attempt to render this case comparable to the *Muncie* case. The opinion of the Circuit Court of Appeals herein devotes three pages to the amendments of the claim (R. 675-677). They were not *broadening* amendments and there was therefore no occasion to discuss the effect of *broadening* amendments. There was, likewise, no occasion to discuss intervening rights in the absence of a *broadening* amendment and in the complete absence from the record of any evidence whatsoever of intervening rights.

The Petition for Rehearing also states that these cases involve "precisely the same situation" as that in the *Muncie* case, "where the application for patent, as filed, did not describe, or attempt to cover, devices of the char-

acter now held to infringe, but, after the accused device was on the market, the application was amended to cover it." (Pet. for Rehearing, p. 3) This statement is not true.

When the application for the Nelson patent in suit was filed, it contained this claim reading directly upon each of the infringing devices before the Court:

"2. In a ball rolling game, a table, the combination with said table of a support thereon carrying a pendant coil spring including an extension, said spring constituting one conductor member of a switch disposed in an electric circuit, the other member of the switch comprising a conductor carried by the table and adapted to be engaged by said extension, said members being normally gapped apart to hold the circuit open but adapted to close momentarily to establish the circuit when a ball bumps the spring." (R. 437-438)

Manifestly these cases have nothing in common with either the *Muncie* case or the earlier cases upon which Petitioners rely.

WHEREFORE, Respondent respectfully prays that the Writs of Certiorari herein granted be dismissed.

Respectfully submitted,

ACE PATENTS CORPORATION,

By CASPER W. OOMS,

Its Attorney.

JOHN A. RUSSELL,

Of Counsel.

November 17, 1941.

APPENDIX.

AFFIDAVIT IN SUPPORT OF MOTION TO DISMISS WRITS OF CERTIORARI.

STATE OF ILLINOIS, } ss.
COUNTY OF COOK. }

GEORGE D. MOLONEY, being first duly sworn, on oath deposes and says:

I am of legal age and a citizen of the United States, residing at 6209 North Mozart Street, Chicago, Illinois.

I am a Past President, a Past Vice-President and a Past Director of Coin Machine Industries, Inc., an Association comprising members whose business is that of manufacturing and selling coin-operated devices, and am Vice-President of the Bally Manufacturing Co. and Lion Manufacturing Corporation, 2640 Belmont Avenue, Chicago, Illinois, which manufacture and sell coin-operated devices, such as pin tables, beverage venders, electric light beam games, etc.

I am fully familiar with the Nelson Patent No. 2,109,678 in suit herein, the device described and claimed therein, and all matters relating to the manufacture, distribution and sale of coin-operated pin tables employing that device upon the playing surface thereof.

That I have read the affidavits accompanying the Petition for Rehearing herein; that the manufacture of such pin tables is not confined to ten large manufacturers in the State of Illinois within the Seventh Judicial District of the United States as set forth in said Affidavits. That there are hundreds of Distributors and Jobbers and thousands of Operators throughout the entire United States who sell, distribute, and operate pin tables employing the patented

devices in virtually every city and village throughout the United States.

That in addition to the large manufacturers of pin tables located in the Seventh Circuit there are many firms located outside of the Seventh Circuit which assemble, restyle and re-fabricate pin tables employing spring switches embodying the principle of the Nelson Patent.

¶ That pin tables are novelty devices of short life and many firms buy second-hand and used pin tables and rebuild them so as to change the playing field to include devices such as covered by the patent in suit. This is done by many firms throughout the entire country, several I know being located in Seattle, Washington; Philadelphia, Pennsylvania and New York City, New York.

I am familiar with the affidavits filed in the United States District Court by each of the Petitioners herein at the time of fixing the bonds for the stay of the injunctions in these cases, and each of the Petitioners by one of its officers therein stated that it was discontinuing the use of bumper switches of the type accused to infringe the patent in suit and did not intend to manufacture, use or sell such bumper switches thereafter.

GEORGE D. MOLONEY,

Affiant.

SUBSCRIBED AND SWORN to before me this 17th day of November, A. D. 1941.

MARTIN M. NELSON,

Notary Public.

(SEAL)

